An

INVESTMENT

OPPORTUNITY

In

BRITISH COLUMBIA

TOURISM

Tourism British Columbia
Product Development Branch

92-04590/

Tourism Overview

Tourism in British Columbia is a major component of the Province's economy, with over $5 billion in revenues from overnight travellers in 1990. A major study examining the travel patterns of British Columbia residents has shown that the impact of the British Columbia resident travelling within the Province is much greater than had previously been realized. The results of the study indicate that expenditures from overnight travel by residents contribute more than $2.7 billion to the British Columbia economy. In terms of total revenues generated by visitors to the Province, British Columbia residents contribute 52%, with the non-resident making up approximately 48% of the overnight revenues. However, when looking at visitor volumes, residents make up 67% of the overnight volume and non-residents the remaining 33%.

Tourism Revenue and Visitor Volumes

In 1990 total revenue from the tourism industry reached $5.2 billion, up slightly more than 3% over the previous year. This figure represents direct expenditures only and does not take into account any multiplier effect or capital investment.

British Columbia had a total of 23.4 million overnight visitors in 1990.

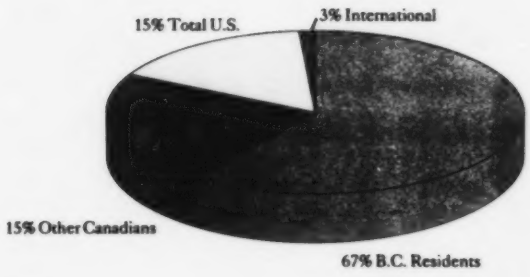
British Columbia Tourism Markets

Visitors to British Columbia are divided into four main markets: British Columbia, other parts of Canada, United States and International.

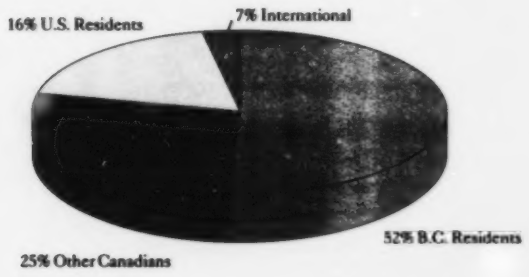
The charts below show the proportion of the total revenue and volume that each of these markets represents.

1990 Tourism Markets

Volume



Revenue



VISITOR TRAVEL CHARACTERISTICS

(1989 – Resident and Non-Resident Comparisons)

	B.C. RESIDENT in B.C.	NON-RESIDENT to B.C.
Average Party Size	2.62	2.47
Average Daily per Person Expenditure	$48.98	$54.90
Average Length of Stay (nights)	3.59	5.83
Total Overnight Volume (person-trips in B.C.)	15,613,000	7,632,000

British Columbia Residents

Residents travelling within the Province in 1990 made 15.6 million overnight trips. This resident market spent approximately $2.7 billion in 1990, up nearly 4% from the previous year.

Non-Resident Visitor

In 1990, the non-resident market generated $2.5 billion in revenues from 7.8 million overnight visitors. Higher expenditures result in their making up 33% of the overnight visitor volume and 48% of the Province's tourism revenues.

The most popular season for travel to British Columbia is the summer, with nearly one in three visitors arriving during this period. Visitation in the remaining seasons ranges between 20%-25% each.

Visiting friends and relatives was the main trip purpose for one third of the parties, with sightseeing and shopping being the most popular activities.

TRIP CHARACTERISTICS

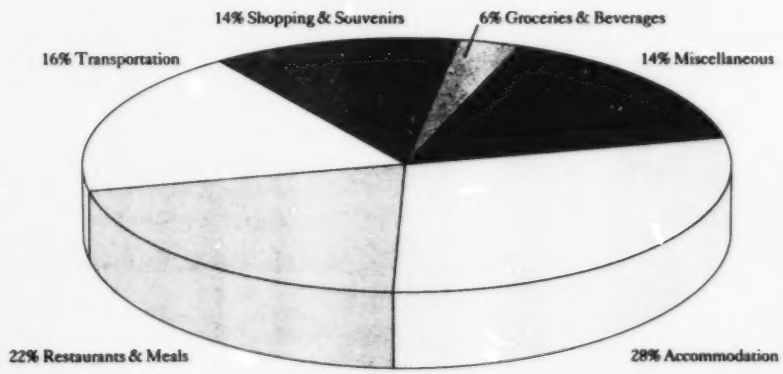
The Visitor '89 Travel Survey undertaken by the Ministry determined the following characteristics of non-resident visitors to the Province:

Purpose: The main reasons for travelling to British Columbia are touring (31%), visiting friends or relatives (38%) and outdoor trips (7%).

Activities: Of all visitor-party days, 42% involved sightseeing, 37% shopping, 22% outdoor activities and 16% "just passing through".

Transportation and Accommodation: Most visitors to British Columbia travel to and in the Province by automobile, and 10% travel in motor homes or campers. Over one-third of visitors stay with friends and relatives and one in five stay in a hotel, motel or campground.

TOURIST EXPENDITURES



This chart indicates research results on the breakdown of tourist expenditures, based on 1989 Visitor Data.

SKIING/MOUNTAIN RESORTS

Overall Summary

Combined operating results for the ski areas show that the 1989/90 ski season generated a total of over 3.4 million visitor days; over $100 million in gross revenues for the resort businesses directly involved in skiing; and employed the equivalent of more than 4,244 people on a full-time basis. New investment was expected to exceed $51 million.

Downhill/Alpine Skiing

Alpine skiing occurs in the Lower Mainland, the Okanagan, the Rockies, the Kootenays, and to a lesser extent in the north. There are over 60 alpine ski areas of which 20 resorts provide 95% of the business. This market is drawing increasing numbers of international skiers. In 1989/90 these resorts provided over 3.2 million alpine skier days and estimated skier expenditure in excess of $400-$500 million. $200 million is invested in resorts, and $900 million in associated real estate.

Cross-Country/Nordic

This activity occurs at many of the alpine areas, but the resort development is centred on the interior plateau, where 9 resorts provide 90% of the business. Currently $60 million is invested in resorts and trails in the Province. Better promotion, organization and additional trail development is required to develop this activity.

Heli-/Snow-Cat Skiing

A fast-growing recreational activity in British Columbia is downhill skiing in remote mountainous or glacial areas. These areas are accessed by helicopters or snow caterpillar tractors. This activity is concentrated on the eastern edge of the Province in the Rocky Mountains where powder snow can be found, but also occurs in the Coast Range.

British Columbia is a world leader in heli-/snow-cat skiing, accounting for an estimated 90% of the worldwide activity. At the same time, however, it is still a relatively undeveloped sector.

There are 13 operators and the total amount invested to date in resort amenities and equipment is $31 million. In 1990, total revenues from heli-/snow-cat skiing increased to $29 million from $22 million in 1989. The market is an international one, with 60% of the skiers from Europe and 30% from the United States.

Back-Country Touring

Back-country touring offers potential that is just beginning to be established. Current activity is centred in the British Columbia Rockies region.

Opportunity studies are underway in various areas of the Province.

The Opportunity
Downhill/Alpine Skiing

A number of alpine skiing areas offer opportunities for more development of hotels, restaurants and other resort amenities. Some opportunities at specific areas are as follows:

Whistler Resort

With Whistler's increasing popularity as a major skiing destination resort and efforts to become a year-round recreation destination, there continues to be opportunities for expansion. To give an indication of the scale of spending activity in the Whistler resort community as a whole, the Municipality of Whistler projected that $177 million would be spent on all types of building construction in 1990, including $33 million on hotel development.

Panorama Resort

Panorama is located in the southeast corner of the Province, 17 kilometres from Invermere, the nearest community. Expansion of the existing resort is being planned for the area, which has 33 ski trails and seven lifts. Two hotel sites are now available for development.

Thompson/Okanagan

Thompson/Okanagan regions, in the interior of the Province, are both popular tourist destinations throughout the year. There are investment opportunities at all four major mountains in the two regions: Apex Alpine, Big White, and Silver Star in the Okanagan; and Tod Mountain in the Thompson region. Base development is just beginning at Tod Mountain.

Kootenays

This mountainous region offers a number of resort investment opportunities at Kimberley, Red Mountain and Fernie with airports at Cranbrook, Castlegar and Fairmont Hot Springs.

Red Mountain has recently completed a revised ski area master plan.

The Opportunity: Cross-Country/Nordic

The Cariboo and the Wells Gray Corridor in particular have the potential to become world-class areas for destination skiers.

The Opportunity: Heli-/Snow-Cat Skiing

There are opportunities to develop accommodation facilities for heli-/snow-cat skiers in the Columbia Valley and Cariboo regions and further development in the Coast Range. For example, the Invermere area (Columbia Valley) has seven major watersheds and many large glaciers suitable for this activity. This area also has the potential to become a major year-round resort area.

SPORT FISHING/RESORTS

Saltwater

It is estimated that expenditures by sports fishing in British Columbia was about $1.3 billion in 1989. The majority of these expenditures, an estimated $800 million, is attributed to tidal sport fishing. There are now approximately 90 resorts with a capital investment in excess of $110 million.

Freshwater

Freshwater anglers spend over $500 million annually. Approximately 200 resorts have a capital investment of $85 million and revenues of over $21 million.

The upgrading of existing operations and the development of new high-quality facilities, including fly-in, are priorities. Locations for development include remote areas on Vancouver Island, and northern areas of the Province.

GOLF/RESORTS

Golf is a recreational activity for which demand is increasing at a tremendous rate. There are 3.8 million rounds of golf played at 150 courses located throughout the Province. The total number of golfers visiting from areas outside of British Columbia is approximately 500,000 per year. If each visitor spends $40 per day on golf and related expenditures (such as club rentals), and plays golf four days during his trip, then the value of the industry is calculated to be approximately $80 million.

There is an increased opportunity for golf tourism. Golfers like to travel and to play golf when on vacation. A recent study indicated that in 1988, 7 million U.S. golfers travelled and spent $7.8 billion. Attention to this opportunity is only recently being addressed.

The Province of British Columbia has become the official Golf Destination in Canada of the P.G.A. Tour and the P.G.A. of America. British Columbia now joins the Bahamas, Puerto Rico, and Florida's First Coast (Jacksonville area) as one of the only locations designated as "Official Golf Destinations."

There are opportunities in golf/resort development throughout the Province. These exist in the Lower Mainland, Vancouver Island, Okanagan, and Rocky Mountain Regions. Significant golf course and resort development is planned or under construction in British Columbia. There is an estimated proposed investment of between $100-$300 million.

MARINE

Significant growth in the marine tourism sector, which is dependent on the saltwater resources, has occurred in the last five years, led largely by increases in lodge and resort developments offering sportfishing products. Marine tourism is also comprised of other tourism activities, including power and sail cruising, scuba diving and kayaking, which are also experiencing growth.

The marine tourism industry offers a diverse range of product for its user base. It is estimated there were over 780 operators in 1989. Fishing-related operators represent approximately 74% of the marine tourism industry. The majority (52%) of these operators are day charter operators, followed by marinas (29%), lodges (14%) and overnight charters (5%). Coastal experience operators comprised 24% of the marine tourism industry. Thirty-four percent of these operators offered power cruising, 24% sail cruising and wildlife viewing, 10% scuba diving and 8% kayaking.

The marine tourism industry generated an estimated $222 million in annual revenues in 1989. About $179 million was generated by fishing-related operators and about $43 million by those operators offering a general marine experience such as power and sail cruising.

There are opportunities for the development of mini-cruises, sightseeing and charter services in British Columbia waters. These opportunities exist at various locations along the British Columbia coast.

ADVENTURE TRAVEL

Adventure travel is defined as a leisure activity that takes place in an unusual, exotic, remote wilderness destination and tends to be associated with high levels of involvement and activity by the participants. This includes activities such as backpacking, hiking, mountaineering, canoeing, hunting, trail riding, and nature observation.

The tourist revenues in 1986 of the adventure travel sector were approximately $56 million. Employment is about 2,000 persons, although most of the employment is seasonal in nature. The projected growth rate is 19% per year from 1987 to beyond 1990.

THE OPPORTUNITY: ADVENTURE TRAVEL

The opportunity for development of wilderness lodges catering to these various outdoor activities exists in many parts of the Province.

The Ministry has undertaken studies in a number of the tourism sectors outlined in this publication.

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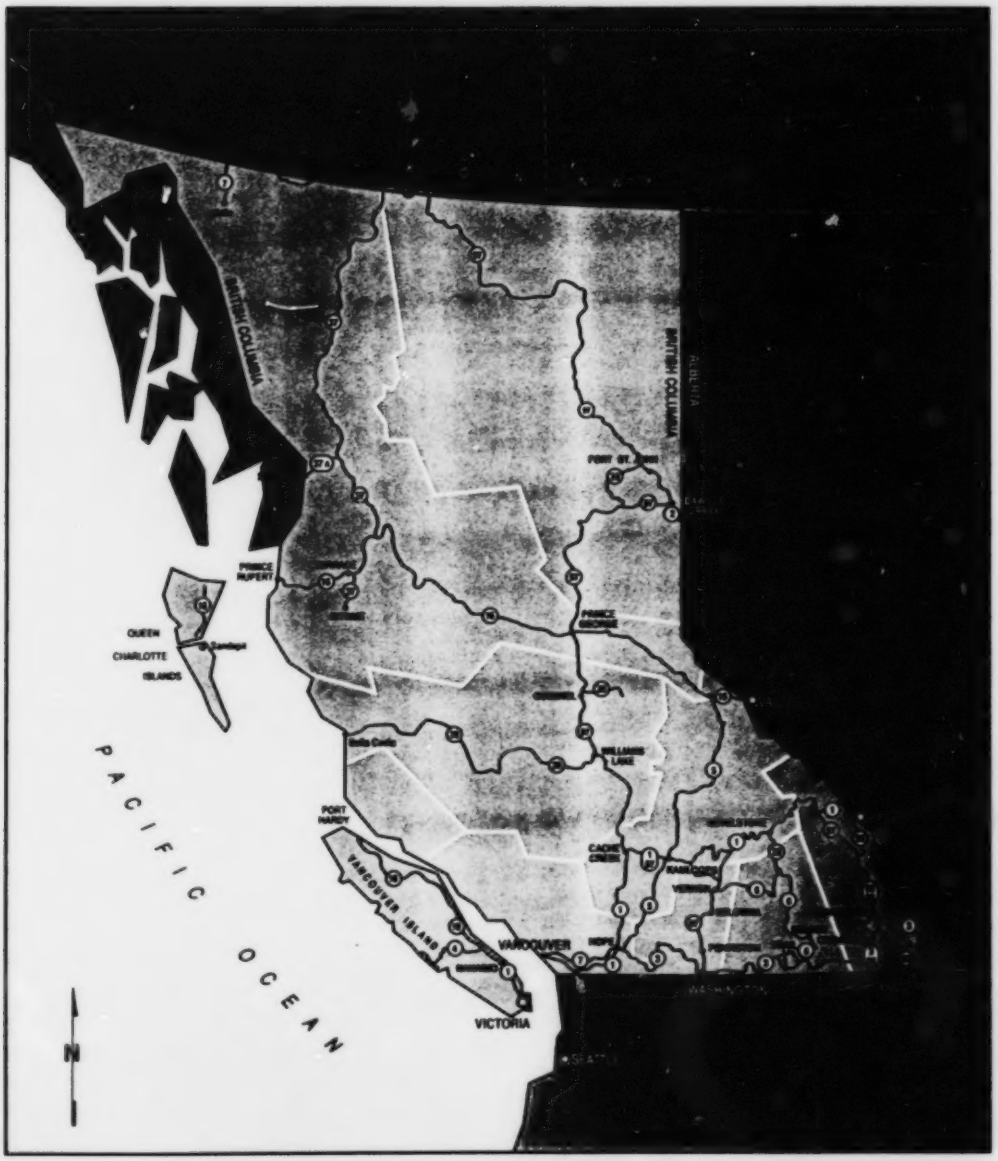

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